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# The AGRICULTURAL OUTLOOK DIGEST

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

WASHINGTON, D. C. BAE MARCH 1952

Farmers' plans for 1952 indicate that feed grain production may be above last year but not enough to permit stocks to be rebuilt.

According to BAE's annual March 1 survey, farmers intend to plant slightly fewer acres to the four feed grains than in 1951. The planned oats acreage is up 3 percent, corn is about the same, barley down 10 percent and sorghums for all purposes down 11 percent.

Much of the decline is in areas where yields usually are below average. In higher yielding areas, the planned acreage is above last year. Consequently, if farmers plant the intended acreage and yields are average by States, production of the 4 grains would total 121 million tons. Last year's output was 114 million.

A 7 million ton increase would not be enough to offset the drain on feed grain reserves taking place in the current feeding year. As a result, feed grain supplies for the 1952-53 year are likely to be slightly lower than for 1951-52.

Oats was the only feed grain crop for which the planned acreage exceeded the USDA goal. The gain was 3 percent. Corn was down 6 percent, sorghums 12 percent and barley 24 percent.

It should be noted that the report on farmers planting intentions is not a forecast of the acreage farmers will plant this spring. A major purpose of the report is to give farmers a basis for making any necessary changes in their acreage plans.

The total acreage in the 52 principal crops this year is expected to be slightly below last year and about 2 percent below the USDA goal. Average yields on such an acreage plus the estimated output of livestock and products would result in record total agricultural output for 1952.

PRICES Price declines were widespread during the last couple of months. Wholesale prices of basic commodities showed considerable weakness, the index declining 8 percent from January to late March. Retail prices paid by city people were off slightly from January to February, the first significant decline in two years.

Prices farmers receive and pay changed little, on the average, from mid-February to mid-March and the parity ratio remained at 100.

The general weakness in prices probably is due to increased supplies on the markets and some weakening in demand. Farm marketings this year have been running about 5 percent above a year ago. Supplies of basic metals also appear to be increasing

Except for price indexes, most of the measures of economic conditions indicate continued strength. Industrial production, employment, and consumer incomes continue high. Spending on new construction is above the last quarter of 1951 and business investment also appears to be higher. Expenditures for national security continue to rise.

LIVESTOCK AND MEAT Meat production in the first quarter ran substantially ahead of a year earlier. Pork provided most of the gain but output of beef and lamb also was up. During the rest of the year, meat production is expected to continue above last year but by a smaller margin. Beef will account for all of the gain. Pork production is likely to fall below a year ago when marketings from the spring crop begin in volume.

DAIRY PRODUCTS Dairy products are one of the few groups of farm products still bringing higher prices than a year ago. In mid-March, prices received by farmers for milk averaged $4.92 per 100 lbs., up 8 percent from March 1951. Butterfat prices averaged 77.8 cents per pound, up 12 percent. The relation between feed and dairy product prices is about average.

POULTRY AND EGGS Output of eggs in the first 2 months of 1952 was about 9 percent above a year earlier. Production is near the seasonal peak and the spring price decline is about ended. However, prices are expected to continue below 1951 levels.

Egg production is likely to continue above a year ago until late in 1952. As the difference from last year narrows, prices are likely to approach 1951 levels.

FATS AND OILS Prices of edible vegetable oils have been declining for several months and in March were well below a year earlier. Lard prices also have gone down but unusually large exports slowed the rate of decline.

More food fats probably will be used in the U. S. this spring and summer than last year. Exports, on the other hand, are likely to be smaller than the large shipments of the same period of 1951. Stocks on October 1, the beginning of the 1952-53 marketing year, probably will be considerably above the 590 million pounds on hand a year earlier.

FEED Demand for feed is expected to continue strong the next few months. Later in the year, however, below average product-feed price ratios for hog and poultry producers may weaken demand. Feed grain prices have been steady the last two months; trends later this spring will depend considerably on the outlook for the 1952 crops.

WHEAT Small wheat harvests in Argentina and Australia will strengthen export demand for U. S. wheat. However, Canada has moved large quantities into shipping positions and will offer increased competition. The U. S. has just about filled its quota under the International Wheat Agreement.

FRUIT Somewhat more oranges and grapefruit remained to be marketed after March 1 than a year earlier. Not much change in prices seems likely in the next two months.

Through March 18, considerably more oranges and grapefruit had been shipped to fresh markets than in the same part of the 1950-51 season. The quantity of oranges processed was up considerably but grapefruit processing was down.

VEGETABLES Stocks of canned and frozen vegetables are generally well above a year ago. Canners and freezers probably will not seek to contract as large acreages as last year and prices offered farmers may average a little lower.

Prices for new potatoes probably will fall about seasonally in May if shipments increase about in line with the acreage available for spring harvest. Fairly steady prices are expected for old potatoes.

COTTON Carryover of cotton next August 1 may drop below the 2.3 million bales of August 1, 1951, the lowest of the last 26 years. U. S. mill consumption is expected to be about 9.5 million and exports about 6 million—a total of 15.5 million bales. Supply for the season is estimated at 17.4 million.

WOOL On March 15, last year, wool prices received by farmers reached an all-time peak of $1.12 cents per pound, 199 percent of parity. On March 15, 1952, the average was down to 53 cents, 88 percent of parity.

The weekly rate of consumption of apparel wool by U. S. mills in January was more than a fourth below January 1951 and the lowest since early 1949.

TOBACCO Consumption of cigarettes, snuff and smoking and chewing tobacco in the first 2 months of this year was at about the same rates as a year earlier, while tax-paid withdrawals of large cigars were up 5 percent.